



S. KIMBERLY BELSHÉ  
SECRETARY

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# PRESS RELEASE

## HEALTH AND HUMAN SERVICES AGENCY

**FOR IMMEDIATE RELEASE**  
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### **MAY REVISE BOLSTERS HEALTH AND HUMAN SERVICES**

***Spending Plan Continues Reform Proposals and Initiatives, Addresses Emerging Issues and Directs Surplus Funds to Critical One-Time Needs***

**SACRAMENTO** – Governor Arnold Schwarzenegger’s revised budget plan will further strengthen the state’s health and social services programs and help protect all Californians, Kimberly Belshé, secretary of the California Health and Human Services Agency (CHHSA), announced today.

“Governor Schwarzenegger’s plan makes critical investments so Californians can be protected and prepared in the event of a public health emergency,” said Belshé. “The Governor’s plan also makes targeted investments in specific programs and reforms that improve the health and well-being of the most vulnerable Californians. These initiatives will help Californians obtain access to affordable health coverage, ensure that children are raised in safer, more stable and permanent homes and enable senior citizens and persons with disabilities to live in appropriate community settings with the support they need.”

At the same time, by minimizing the state’s structural deficit in future years, the Governor’s plan lays the groundwork for the long-term fiscal stability California’s health and social services programs.

“By directing unanticipated surplus funds toward one-time programs, the Governor’s plan avoids the long-term pressures on health and human services programs that an increase in ongoing spending would create,” said Belshé.

#### **Health and Human Services Budget Highlights**

The May Revise totals \$74.1 billion (\$29.1 billion General Fund), which is an increase of \$2.3 billion from the revised 2005-06 budget.

**Preparing for Public Health Emergencies:** The state’s health care system must meet the widespread medical needs of all Californians when earthquakes, floods, fires, terrorist attacks and emerging diseases like pandemic flu strike. The May Revise proposes \$400 million to strengthen the state’s ability to respond to the significant health care demands created by earthquakes, floods, pandemic flu or other natural and man-made disasters. It provides medical supplies for alternate care sites, creates mobile field hospitals and stockpiles ventilators, masks for health care workers and antiviral medications sufficient to treat 25 percent of California’s population. The May Revise builds upon the Governor’s January proposal to increase funding for emergency preparedness by \$43.3 million and his plan to create a new Department of Public Health.

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**Covering Uninsured Children:** Access to appropriate health care services is essential to a child's success in school and life. The May Revise builds upon and expands increases proposed in January to help uninsured children get health coverage by proposing \$23 million to support the efforts of existing county-based children's health initiatives to enroll uninsured children who are ineligible for state programs. The Governor's combined January and May budget proposals call for more than \$100 million to make certain more children take advantage of the expansive health coverage programs offered by the state and several counties.

**Providing Supportive Housing for the Mentally Ill Homeless:** Thousands of Californians with severe untreated mental illness are homeless. Often, these individuals are likely to have acute and chronic physical health problems, abuse alcohol and drugs, have escalating ongoing psychiatric symptoms and become incarcerated. The May Revise proposes up to \$75 million in Mental Health Services Act (Proposition 63) funding each year to construct housing for chronically homeless individuals with mental illness and their families. Proposition 63 resources will also be leveraged to secure an estimated \$4.5 billion in total funds to enable the construction of more than 10,000 new housing units.

**Protecting Access to Care for Medi-Cal Recipients:** The May Revise includes \$65.4 million to eliminate the 5 percent provider payment reduction on Medi-Cal managed care plans that was imposed by the Legislature and prior Administration. In addition, it provides \$61.2 million to fund further rate increases for individual managed care plans needing additional rate adjustments to provide quality care. These increases will help ensure that practitioners continue serving 3.2 million Medi-Cal beneficiaries.

**Improving Outcomes in Foster Care and the Child Welfare System:** Earlier this spring, the Administration secured a waiver to provide counties with unprecedented flexibility in using federal funds to support innovative services that keep children out of foster care and in safe, stable homes. The May Revise provides \$35.5 million to begin implementation of this waiver. The Governor is working with the Legislature to improve outcomes to better support children in foster care or at risk of being placed in foster care. Counties must have the assistance and flexibility they need to ensure the permanency, well-being and safety of children in foster care. In addition, the state and counties have been working to improve California's child welfare services (CWS) system since the implementation of state and federal outcome reviews. The May Revise includes \$39 million to expand county initiatives to improve CWS outcomes and assist the state in making ongoing progress toward federal compliance requirements, avoid federal penalties and protect federal funds for the CWS program.

**Helping Hospitals Meet Seismic Safety Standards:** California hospitals face significant challenges in meeting state-mandated seismic retrofit compliance deadlines. The May Revise provides \$1.2 million for additional staffing and training to improve state reviews and expedite approvals of health facility construction projects. The Administration will also work with the Legislature to implement state-of-the-art technology to assess hospitals' seismic risk and implement efficiency reforms to further expedite approvals of seismic retrofit and other health facility construction projects.

**Helping the Elderly, Blind and Disabled:** California provides the most generous State Supplementary Payment benefit among the 10 largest states, reflecting the state's longstanding commitment to supporting the needs of the aged, blind and disabled. The May Revise proposes an additional \$43.8 million to fully fund the cost of providing pass-through of the federal cost-of-living-adjustment beginning April 1, 2007, pursuant to current law. It also includes \$2 million to increase grants to the Alzheimer's Disease Research Centers of California.

**Meeting the Mental Health Needs of Children:** The May Revise provides a total of \$138 million to fund mental health services for special education students. It also proposes a restructuring of these programs to increase accountability for outcomes and the efficient use of public funds.